

GOVERNMENT OF ANDHRA PRADESH  
ABSRTACT

Suits – Arbitration – An amount of Rs. 16,50,000/-as full and final settlement of claims in OS Nos.9,10,11 of 2002 on the file of the Hon'ble District Judge Court, Kadapa in respect of the works relating to Buggavanka Project, C.K. Dinne (Mandal), Kadapa District" entrusted to Sri K. Mohan Reddy, Contactor, vide Agt. No. 2,1,3/SE/97-98, dated: 07.04.1997 - Sanctioned- Orders – Issued.

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IRRIGATION&CAD (IRRIGATION WING: ARBITRATION) DEPARTMENT

G.O.Rt. No. 876 .

Dated:31.08.2013.

Read the following

1. From the Hon'ble High Court of A.P Hyd Common Judgment dated: 03.08.2010 in AS NOs 132, 157 and 210 of 2003
2. From Sri K. Mohan Reddy, Contractor, representation dated: 02-09-2010.
- 3.From the ENC Medium Irrigation Hyd, Lr.No. ENC/MEDDCE3/ OT1/ARB-29-3/2011, dated.18.02.2011.
4. From the ENC Medium Irrigation Hyd., Lr. No.ENC/MED/DCE3 /OT1/ARB/Mohan Reddy dated: 06.02.2013.

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ORDER

The Engineer-in-Chief, Medium Irrigation, Hyderabad in his letter 3<sup>rd</sup> read above has reported that the following works relating to Buggavanka Project, C.K. Dinne Mandal, Kadapa District" was entrusted to Sri K. Mohan Reddy, Contactor, vide Agt. Nos. 2,1,3/SE/97-98, dated: 07.04.1997:-

- a. "Earth work excavation of 8 R to 17R distributaries of main canal including construction of CM & CD works".
- b. "Earth work excavation of 1 R to 7R distributaries of left main canal including construction of CM & CD works".
- c. "Earth work excavation and formation of canal bank including construction of CM & CD works of canal distributaries of 18R to 21 TE and sub-distributaries of left main canal"

2. The above three agreements were concluded with a condition to complete the work by 06.08.1997 i.e.,4 (four) months from the date of agreement. During the execution, many obstacles were raised by the farmers in Land Acquisition. Due to delay in Land Acquisition, extension of time was granted to the Contractor up to 31.3.2000. The above works were completed and the final bills including EMD were released.

(p.t.o.)

3. After receiving all the final payments in the above three works, the Contractor, Sri K. Mohan Reddy, has filed OS No. 9, 10, 11 of 2002 before the Hon'ble District Judge Court, Kadapa, against the department without following the Rules of P.S. to APDSS and also violating the provisions in "Clause 12.1.2 of agreement under settlement of disputes.

4. The Hon'ble District Judge Court, Kadapa in its common judgment dated 19.08.2002 has disposed of the above three OS Nos 9,10,11 of 2002 as follows:- .

S.No	Description	Claim of the Contractor in Rs.	Awarded by Court in Rs.
1.	<b><u>O.S No .9/2002</u></b>		
(i)	Escalation charges due to SSR rates during the period from Sep 97 to Jun 98, June 98 to June 99 , 1999-2000= (Rs.32,341+ Rs.9,61,812+ Rs.2,99,540)	Rs.12,93,693/-	Rs.12,93,693/-
(ii)	Due to Salaries:	Rs. 76000/-	Rejected
(iii)	Due to Idle Machinery	Rs.496000/-	Rejected
	Total	<b>Rs.18,65,693/-</b>	<b>Rs.12,93,693/-</b>
2.	<b><u>O.S No .10/2002</u></b>		
(i)	Escalation charges due to SSR rates during the Period Sep 97 to Jun 98, From 98 to March 2000 =(Rs.52,467+ Rs.13,58,594)	Rs.14,11,061/-	Rs.14,11,061/-
(ii)	Due to Salaries:	Rs. 76000/-	Rejected
(iii)	Due to Idle Machinery	Rs.496000/-	Rejected
	Total	<b>Rs.19,77,061/-</b>	<b>Rs.14,11,061/-</b>
3.	<b><u>O.S No. 11/2002 filed on 18.2.2002 i.e., after lapse of 2 years 4 months 23 days</u></b>		
	Escalation charges due to SSR rates during the Period Sep 97 to Jun 98, Jun 98 to Jun 99 =(Rs.5,92,923+ Rs.1,63,054)	Rs.755977/-	Rs.7,55,977/-
	Due to Salaries:	Rs. 76000/-	Rejected
	Due to Idle Machinery	Rs.5,20,000/-	Rejected
	Total	<b>Rs.13,51,977/-</b>	<b>Rs.7,55,977/-</b>

(Contd.....3.)

5. The Hon'ble Court has allowed the interest @12% p.a. on the above awarded amount from the date of the suit till the date of realization with proportionate costs .

6. Aggrieved by the above common Judgment, the department has filed Appeal Suit Nos. 132, 171, 210 of 2003 in the Hon'ble High Court of A.P., Hyderabad. The Hon'ble High Court in its interim orders, dated.28.01.2003 has stayed the execution of the above decrees with a condition to deposit half of the decretal amount and cost of suits before the trial Court within a period of (12) weeks. Accordingly, the department has deposited an amount of Rs.7,97,108 in OS No. 9/02; Rs. 7,91,983 in OSNo. 10/2002 and Rs. 5,42,274/- in OS NO. 11/2002.

7. Subsequently, the Hon'ble High Court of A.P., Hyderabad in its common judgment dated 03.08.2010 while disposing of the three A.S. Nos 132, 171 and 210 of 2003 has directed the appellants to approach the Principal Secretary of the concerned department by filing appropriate comprehensive representation on their behalf, on filing of which, the said authority shall hear both sides after giving notice and opportunity and make an effort to conciliate and settle the claims

8. In pursuance of these directions and on receipt of the representation from the Contractor, the matter has been referred to the Conciliation Committee concerned as constituted for the purpose vide GO Rt. No. 103 dated:24.01.2008. The Committee has submitted its report.

9. After examination of the Committee Report, all the disputed claims have been negotiated with the Contractor in the final Conciliation meeting held on 23.03.2013 . During the meeting, the Contractor has expressed his willingness to accept the lumpsum amount of Rs.16,50,000/- as full and final settlement of all the claims including interest in respect of OS Nos 9,10, and 11 of 2002. To this effect, he has given a declaration on a notarized affidavit, stating that he shall withdraw all legal proceedings in respect of the above works against the Government of Andhra Pradesh or its representative officer after realization of the accepted amount.

10. After careful examination of the entire matter, it has been decided to accept the claim offered by the Contractor. Accordingly, Government hereby accord sanction for an amount of Rs. 16,50,000/ (Rupees Sixteen Lakhs and Fifty thousand only) as full and final settlement of all the claims including interest in OS Nos. 9, 10, 11 of 2002 on the file of the Hon'ble District Judge Court, Kadapa in respect of the work relating to "Earth work Excavation of Buggavanka Project, C.K. Dinne Mandal, Kadapa District" entrusted to Sri K. Mohan Reddy, Contactor, vide Agt. No. 2,1,3/SE/97-98, dated: 07.04.1997, subject to condition that the above Contractor should withdraw all legal proceedings pending in the Courts in respect of the above said works against the Govt., or its representative officer, after realization of the sanctioned amount.

(Contd.....4.)

11. The expenditure sanctioned in para ( 10 ) above shall be debitable to the following Head of Account: "DA 4701 Capital out lay on Major & Medium Irrigation Projects; (03) Medium Irrigation – (Commercial) Schemes included in the plan; MH – 108 Buggavanka Project; GH-11 Normal State Plan; SH (27) Canals and distributaries 530 Major Works; 531 other expenditure".

12. The Chief Engineer , Medium Irrigation Hyderabad / Chief Engineer (P), Irrigation, Kadapa, is directed to deposit the above sanctioned decretal amount to the credit of OS Nos. 9, 10, 11 of 2002 on the file of the Hon'ble District Judge Court, Kadapa for avoiding further legal complications in the matter. He is also directed to instruct disbursing officer concerned to obtain a declaration from the above Contractor accepting the amount as full and final settlement of all its claims before depositing the above sanctioned amount in the respective Court.

13. This order issues with the Concurrence of the finance (Expr.PW) Deptt., vide their U.O. No. 15373/403/Expr.PW(I)/13, dated 11.06.2013

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**AJOYENDRA PYAL**  
**SPECIAL CHIEF SECRETARY TO GOVERNMENT**

To

The Chief Engineer, Medium Irrigation, Hyderabad

The Chief Engineer (P), Irrigation, Kadapa

The Superintending Engineer, I & CAD, Irrigation Circle, Kadapa

The Accountant General, Hyderabad

The District Treasury Officer, Kadapa

The pay and Accounts Officer, Kadapa

Sri K. Mohan Reddy, Contractor, H. No.129/12, Kamalapuram Mandal, Kuppuruvuripalli,  
YSR District, Kadapa.

Copy to

The P.S to Spl. Secretary to C.M

The PS to Minister (M&MI)

The G.P for Arbitration, High Court of A.P, Hyderabad.

The PS to Spl. Chief Secretary, I & CAD Department

The Law(B) Department,

The Finance (Exp.PW) Department.

The I & CAD (P&B) Deptt., with a request to release LOC/authorization for  
the expenditure sanctioned above.

SF/SC.

//FORWARDED: BY ORDER//

SECTION OFFICER